

**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2008**

**IN ACCORDANCE WITH THE PROVISIONS OF
H.C.R. 54 / H.R. 34 ADOPTED BY THE 2007 HAWAII
STATE LEGISLATURE**

**DEPARTMENT OF HUMAN SERVICES
Med-QUEST Division
June 2008**

**REPORT SUBMITTED BY THE DEPARTMENT OF HUMAN SERVICES TO THE
2008 LEGISLATURE TO MEET THE REQUIREMENTS OF H.C.R. 54 / H.R. 34,
ADOPTED BY THE 2007 HAWAII LEGISLATURE.**

Task Force Purpose:

The resolution called for the establishment of an interim State Maximum Allowable Program Evaluation Task Force (Task Force) to review the State's Maximum Allowable Cost (MAC) Program's reimbursement policy and its impact on small, independent, community pharmacies.

The Task Force is to submit a report of its discussions, and any findings and recommendations, including any proposed legislation, to the Governor and the Legislature.

The Task Force is composed of nine members to include the following:

- (1) One member appointed by the Governor;
- (2) One member appointed by the President of the Senate;
- (3) One member appointed by the Speaker of the House of Representatives;
- (4) The Director of the Department of Human Services (DHS), or a designee;
- (5) The Director of the Department of Commerce and Consumer Affairs (DCCA), or a designee;
- (6) The Executive Officer of the Hawaii State Board of Pharmacy, or a designee;
- (7) A representative of the National Community Pharmacists Association; and
- (8) Two practicing pharmacists from small, independent, community pharmacies;

A Task Force meeting was held on December 14, 2007. A video conference hook up was established for the neighboring Islands of Hawaii and Maui as required by the Hawaii Sunshine Law.

Members representing the Governor, the Director of DHS, the Director of DCCA/ Hawaii State Board of Pharmacy, and staff of the DHS Med-QUEST Division (MQD) attended the meeting. The members in attendance did not qualify as a quorum.

Task Force Discussion:

- Purpose of the Task Force
- Full Upper Limit (FUL) timeframes
- Input from the Task Force
- The rest of the meeting was spent planning the next meeting and administrative matters

Due to the lack of small, independent, community pharmacy participants and expertise on this topic, the Task Force was unable to have an in-depth discussion on how MAC prices are set and how to ensure a reasonable reimbursement to small pharmacies within State spending limits and of Federal Medicaid restrictions.

To date, the Task Force has not been able to secure representatives from the small, independent, community pharmacies to complete the Task Force panel.